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SUBJECT: TRADE UNION DEMANDS FOR 1974

1. SUMMARY: DUTCH TRADE UNIONS PUBLISHED NOTE MAY 15 DETAILING EMPLOYMENT POLICY DEMANDS FOR 1974. NOTE DISTINGUISHES BETWEEN WHAT UNIONS WANT GOVT TO ACCOMPLISH AND WHAT UNIONS EXPECT FROM NEGOTIATIONS WITH EMPLOYERS. UNIONS ALSO ASK GOVT FOR NOTE ON INCOMES POLICY SOMETIME IN 1974. NATIONAL FEDERATION OF TRADE UNIONS (NVV) AND CATHOLIC TRADE UNION FEDERATION (NKV) HAVE ALSO DECIDED TO REJOIN SOCIAL ECONOMIC COUNCIL. NEITHER NEW GOVT, NOW BUSY PREPARING ITS GOVT STATEMENT (REGERINKSVERKLARING), NOR EMPLOYERS ORGANIZATIONS HAVE REACTED TO UNION DEMANDS. END SUMMARY

2. MAINTAINING VIEW THAT GOOD INCOME DISTRIBUTION CANNOT BE ACHIEVED SOLELY THROUGH COLLECTIVE WAGE AGREEMENTS, THREE TRADE UNIONS (NKV, CNV, NVV) ASKED GOVT FOR WHITE PAPER ON A COMPREHENSIVE INCOME POLICY IN 1974. THIS WHITE PAPER SHOULD INCLUDE

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PROVISIONS WHICH CAN BE APPLIED TO ALL INCOME GROUPS. TRADE UNIONS ALSO PROPOSED ANOTHER "CENTRAL ACCORD" FOR 1974 WITH EMPLOYERS AND GOVT, BUT MAKE THIS ACCORD CONTINGENT ON FULFILLING VARIOUS CONDITIONS SURROUNDING IMPLEMENTATION OF 1973 CENTRAL ACCORD.

3. ON EMPLOYMENT CONDITIONS POLICY FOR 1974 UNIONS STRESS DETERMINING FACTORS ARE: A) JUSTIFIED INCOME DISTRIBUTION, B) JUST DISTRIBUTION OF ECONOMIC CONTROL, C) ACHIEVEMENT OF A DESIRABLE BALANCE FOR COLLECTIVE PROVISIONS AND SOCIAL INSURANCES AND D) REDUCTION OF UNEMPLOYMENT TO BELOW THE 100,000 FIGURE. WAGE INCREASES UPON CONTRACT RENEWAL WILL BE DETERMINED ON BASIS OF PRODUCTIVITY INCREASES. METHOD OF COMPENSATION, EITHER IN ABSOLUTE AMOUNTS, PERCENTAGES, OR A COMBINATION OF BOTH, SHOULD BE LEFT TO THE COLLECTIVE BARGAINING PROCESS.

4. UNIONS LOOK TOWARD PRICE COMPENSATION WITH A MINIMUM OF 160 GULDERS PER PERCENTAGE OF PRICE INCREASE AND A MAXIMUM WHICH IS TIED TO THE CEILING FOR SOCIAL INSURANCE PAYMENTS, AT PRESENT 32,000. COLLECTIVE WAGE AGREEMENTS MUST COVER ALL WORKERS. UNIONS DEMAND STRINGENT PRICE POLICY WITH VIEW TOWARD STEMMING INFLATION AND THAT PRICE INCREASES IN MARKET SHOULD NOT INCREASE AVERAGE PROFIT PER PRODUCT INVOLVED.

5. TRADE UNION SUGGESTIONS IN FIELD GOVT POLICY ARE: A) INCREASE IN DEVELOPMENT ASSISTANCE FROM .7 TO .8 PERCENT OF GNP. B) NO INFLATION CORRECTION ON INCOME TAXES IN 1974 (INFLATION CORRECTION IS RETURN OF THAT SUM OF TAXES DUE SOLELY TO INFLATION) WITH MONEY BECOMING AVAILABLE IN THIS MANNER TO BE USED (50 PERCENT) TO RAISE FLOOR FOR TAX EXEMPTION AND FOR REDUCING DISADVANTAGES RESULTING FROM MODIFICATION IN WAGE AND INCOME TAX TO INCLUDE PROVISION FOR INCREASED PERCENTAGE PAYMENTS IN EACH WAGE CATEGORY. OTHER 50 PERCENT WILL BE USED FOR SO-CALLED "COLLECTIVE PROVISIONS", I. E., WELFARE MEASURES, ETC. C) NO INCREASE IN VALUE ADDED TAX IN 1974. D) INTRODUCTION OF A PROGRESSIVE SCHEDULE FOR PROPERTY TAX. UNIONS ALSO WISH INVESTIGATE POSSIBILITY SETTING MAXIMUM FOR DEDUCTIBILITY OF INTEREST ON DEBTS. UNIONS WISH AVOID UNREASONABLY HIGH INTEREST FOR FINANCING OF ONE'S OWN HOME, FOR EXAMPLE, AND SHIFT THIS OBLIGATION TO TREASURY. E) LOWERING OF AGE FOR MINIMUM WAGE TO 22. F) INTRODUCTION OF RENT HARMONIZATION MEASURE AND RENT TAX. G) INCREASE IN RENT SUBSIDIES WHICH WILL INCLUDE ALL RENTAL HOUSING. H) CEILING FOR LIMITED OFFICIAL USE

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GOVT SUBSIDIES FOR PURCHASE OF ONE'S OWN HOUSE. I) STEPS TO REDUCE FLIGHT OF CAPITAL FROM NETHS TO ABROAD. J) REVISION OF UNIVERSITY FEE LEGISLATION AND INCREASE IN GOVT'S PROVISIONS FOR EDUCATION.

6. UNIONS NOW WISH DISCUSS THEIR PROPOSAL WITH MEMBERS TO ENSURE

RANK AND FILE FULLY FAMILIAR WITH DEMANDS PRIOR TO DISCUSSION WITH GOVT IN FALL. NVV ACTING PRESIDENT DE BOON SAID HE THOUGHT UNIONS' PROGRAM COULD BE IMPLEMENTED IF WILL TO DO SO ON PART OF EMPLOYERS AND GOVT REALLY PRESENT. HE DECLINED GIVE ANY FIGURE ON WHAT UNION DEMANDS WOULD COST, INDICATING THIS WAS STILL BEING DISCUSSED WITHIN TRADE UNIONS THEMSELVES.

7. UNIONS ALSO ANNOUNCED THEY HOPE FOR COMPLETION OF REPORT ON RESULTS OF CENTRAL ACCORD OF 1973. REPORT WILL INDICATE TO WHAT EXTENT AGREEMENTS CONCERNING PRICE AND WAGE DEVELOPMENTS HAD BEEN ADHERED TO. UNIONS SAY CENTRAL ACCORD FOR 1974 WILL DEPEND LARGELY ON EXTENT TO WHICH EMPLOYERS WILL SATISFY UNIONS' DEMANDS IN FINAL EMPLOYMENT CONDITIONS NOTE AND ALSO TO EXTENT GOVT PREPARED TO MEET UNIONS' DEMANDS FOR 1974. AS EARNEST OF THEIR INTENTION DO EVERYTHING THEY CAN ENSURE CLIMATE BETWEEN UNIONS AND GOVT AND MANAGEMENT AUSPICIOUS AS POSSIBLE NVV AND NKV ANNOUNCED THEY WILL RETURN TO SOCIAL ECONOMIC COUNCIL. THEY HAVE IN EFFECT WITHDRAWN THEIR CHARGES THAT EMPLOYERS' ORGANIZATION ATTEMPTED TO TORPEDO AGREEMENT BETWEEN INDUSTRIAL UNIONS AND INDUSTRIAL EMPLOYERS (THE HAGUE 1707).

8. COMMENT: UNIONS OBVIOUSLY BELIEVE IN STRIKING WHILE IRON HOT AND HAVE ISSUED THEIR 1974 DEMANDS AT SAME TIME DEN UYL GOVT WORKING ON ITS REGERINGVERKLARING. IT REMAINS TO BE SEEN TO WHAT EXTENT NEW GOVT CAN OR WILL ACCOMMODATE UNION DEMANDS WHICH ARE HARDLY INCONSIDERABLE. PRELIMINARY REACTIONS WE HAVE HAD FROM BUSINESSMEN, EMPLOYER ORGANIZATION NEGOTIATORS, AND GOVERNMENT OFFICIALS INDICATE THAT WHILE UNION DEMANDS ARE NO MORE REASONABLE NOR FEASIBLE AS A PACKAGE THAN THOSE PRESENTED LAST YEAR, GON AND EMPLOYER RESPONSE WILL HAVE TO BE MORE FORTHCOMING THIS YEAR IF SHAKY NEW GOVERNMENT IS TO RETAIN LABOR SUPPORT. INCREASED TAXES ON HIGHER INCOMES, MORE EDUCATION AND HOUSING SUBSIDIES, AND SOME SYSTEM OF PRICE RESTRAINT AND PROBABLY SOME OTHER CONCESSIONS SEEM LIKELY TO APPEAR IN REGERINGSVERKLARING MAY 28 AND IN BUDGET BILL NEXT SEPTEMBER. END COMMENT
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